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FM THE SITUATION ROOM//TOHAK 99//

TO BREMER/COVEY/RODMAN FOR THE SECRETARY

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TOHAK 99

AUGUST 2, 1975

MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM

SUBJECT: MORNING NEWS SUMMARY

THE WASHINGTON POST

JAMES L. ROWE REPORTS THAT LOCKHEED AIRCRAFT CORPORATION ADMITTED YESTERDAY THAT IT HAS PAID ABOUT \$22 MILLION TO "FOREIGN OFFICIALS AND FOREIGN POLITICAL ORGANIZATIONS" OVER THE LAST FIVE AND A HALF YEARS. LOCKHEED SAID PAYMENTS WERE "NECESSARY IN CONSUMMATING CERTAIN FOREIGN SALES." (A-1)

CARROLL KILPATRICK WRITES THAT LEADERS OF 35 GOVERNMENTS SIGNED THE EUROPEAN SECURITY CONFERENCE CHARTER IN HELSINKI YESTERDAY AFTER PRESIDENT FORD DECLARED, "IT IS NOW TIME TO REDUCE SUBSTANTIALLY THE HIGH LEVELS OF MILITARY FORCES" ON BOTH SIDES OF THE EAST-WEST LINE THAT STILL DIVIDES EUROPE. THE PRESIDENT, IN A WIDELY-APPLAUDED ADDRESS, TOLD THE DELEGATES THAT THE UNITED STATES IS READY "TO DEMONSTRATE FLEXIBILITY" IN REACHING AGREEMENT IN NEGOTIATIONS IN VIENNA ON MUTUAL FORCE REDUCTIONS IN CENTRAL EUROPE. THROUGHOUT THE CONFERENCE THE PRESIDENT AND YOU HAVE BEEN PREOCCUPIED WITH YOUR FAILURE TO PERSUADE CONGRESS TO LIFT THE TURKISH ARMS EMBARGO AND BY INCREASINGLY DISTURBING REPORTS OF COMMUNIST GAINS IN PORTUGAL. (A-1)

SPENCER RICH FINDS THAT THE SENATE, IN AN ASTONISHING BREAK WITH TRADITION, KILLED THE CONFERENCE REPORT ON THE \$31.1 BILLION MILITARY PROCUREMENT BILL YESTERDAY, 48 TO 42 AFTER SENATOR MUSKIE CHARGED THAT THE BILL "WILL INEVITABLY BUST THE BUDGET" CEILINGS SET BY MUSKIE'S NEW BUDGET COMMITTEE. (A-1)

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SENATOR PROXMIRE SAID YESTERDAY HE HAS BEEN INFORMED THAT THE SOVIET UNION BUGGED THE CONVERSATIONS OF ASTRONAUTS AND TECHNICIANS INVOLVED IN THE APOLLO-SOYUZ SPACE MISSION LAST MONTH. A SPOKESMAN FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION CONFIRMED THE INCIDENT BUT SAID THERE WAS NO EVIDENCE THE WIRE, ATTACHED TO THE BOTTOM OF A CHAIR, "HAD ANYTHING TO DO WITH A LISTENING DEVICE." (A-3)

DUSKO DUBER SAYS THE EXTRAORDINARY THING ABOUT THE HELSINKI SUMMIT IS THAT IT COULD ACTUALLY TAKE PLACE. THIS IN ITSELF, RATHER THAN LOFTY PRINCIPLES SIGNED IN A SIMPLE CEREMONY, SEEMS TO BE THE PRINCIPAL ACCOMPLISHMENT OF THE UNPRECEDENTED GATHERING. OPTIMISTS, AND MOST OF THOSE INVOLVED IN THE CONFERENCE FALL INTO THAT CATEGORY, SAY THAT TO BRING 35 NATIONAL LEADERS OF EUROPE AND NORTH AMERICA UNDER THE SAME ROOF COULD ONLY BE BENEFICIAL. (A-9)

JACOB K. JAVITS CONTENDS THAT A CONTINUATION AND EXTENSION OF THE POST YOM KIPPUR WAR AGREEMENTS OFFER THE BEST, IF FRAGILE, HOPE FOR A MUTUALLY SATISFACTORY PEACE IN THE MID-EAST. FOR WITHOUT SUCH AGREEMENTS AND WITHOUT A HISTORY OF THEIR OBSERVANCE, THE ISRAELI GOVERNMENT MUST AND DOES EXPECT, NOT PEACE BUT A SWORD. (A-10)

CLAYTON FRITCHEY SAYS THAT ALTHOUGH THE DICTATORIAL ACTIONS OF PRIME MINISTER INDIRA GANDHI CANNOT BE CONDONED, THERE CAN BE NO BALANCED JUDGMENT ON THE CRISIS IN INDIA WITHOUT SOME UNDERSTANDING AND APPRECIATION OF THE PROVOCATIONS THAT INSPIRED IT. HER ACTIONS ARE UNDENIABLY AUTHORITARIAN, BUT IT MUST BE CONCEDED THAT STEP BY STEP SHE HAS CAREFULLY ABIDED BY THE CONSTITUTION AND BY ESTABLISHED PARLIAMENTARY PROCEDURE, IN CONTRAST TO THE OPPOSITION'S ATTEMPTS TO OUST HER BY AGITATION INSTEAD OF BY DUE PROCESS. (A-11)

TOM BRADEN DESCRIBES JAPAN'S NEW REALISM. HE SAYS JAPAN'S FOREIGN MINISTER KITCHI MIYAZAWA IS A VERY ABLE AND SCRUPULOUSLY HONEST MANIPULATOR. WHAT MUST BE REMEMBERED ABOUT JAPAN'S LEADERS IS THAT THEY HAVE TO BE MANIPULATORS. THEY ARE PLAYING A ROLE UNIQUE IN HISTORY. THEY REPRESENT GREAT POWER, THE SECOND LARGEST ECONOMIC POWER IN THE WORLD. BUT IT IS A POWER TOTALLY UNABLE TO ENFORCE ITS WILL. THEY WILL TAKE ALMOST ANYTHING FROM SPOKESMEN FOR THE UNITED STATES. YOUR RECENT HINTS THAT JAPAN'S BUDGET ALLOCATION OF ONE PERCENT FOR NATIONAL DEFENSE IS INSUFFICIENT HAVE CAUSED NO PUBLIC OUTCRY. MIYAZAWA SAID HE THOUGHT THERE WAS ONLY ONE OUTSTANDING PROBLEM BETWEEN JAPAN AND THE UNITED STATES AND "THAT IS THE OFTEN UNSPOKEN SUSPICION IN YOUR COUNTRY THAT JAPAN IS GETTING A FREE RIDE." THE JAPANESE FOREIGN MINISTER THINKS THE "UNSPOKEN SUSPICION" IS JUSTIFIED AND THAT HE

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WOULD NOT GREATLY OBJECT TO HEARING IT VOICED ALOUD. BUT A SUDDEN AND IMMEDIATE U.S. PULLOUT FROM SOUTH KOREA WOULD BE A DIFFERENT THING, "A SHOCK OF SUCH MAGNITUDE AS TO MAKE ITS EFFECT TOTALLY UNPREDICTABLE." (A-11)

THE WASHINGTON STAR NEWS
HENRY BRADSHAW WRITES THAT FOR MORE THAN A DECADE, ROMANIA HAS ASSERTED ITS OWN NATIONAL INTERESTS WITHIN THE SOVIET BLOC WHILE CAREFULLY KEEPING JUST WITHIN MOSCOW'S PATIENCE. THE KREMLIN HAS ACCEPTED THESE ASSERTIONS LARGELY BECAUSE THE DOMESTIC CONTROL LEAVES NO QUESTION OF DEVIATION FROM EAST EUROPE'S MARXIST PATTERN, NO IDEOLOGICAL THREAT TO THE SOVIET BRAND OF COMMUNISM. (A-1)

ACCORDING TO NORMAN KEMPSTER, IN A NEW CHALLENGE TO THE CLUBBY "OLD BOY NETWORK" OF RETIRED SPIES, HOUSE INVESTIGATORS YESTERDAY SUGGESTED THAT TOO MANY FORMER CIA EMPLOYEES ARE NOW WORKING AS WATCHDOGS OF THE AGENCY. REPRESENTATIVE JAMES P. JOHNSON ALSO COMPLAINED THAT CIA EMPLOYEES ARE ROUTINELY ASSIGNED TO WORK ON THE STAFF OF THE NATIONAL SECURITY COUNCIL WHICH APPROVES INTELLIGENCE OPERATIONS. (A-3)

HENRY R. BRADSHAW WRITES, WITH PROMISES TO BROADEN DETENTE AND RESPECT HUMAN RIGHTS, LEADERS OF 33 EUROPEAN NATIONS PLUS THE U.S. AND CANADA PARTED YESTERDAY AFTER AGREEING TO HAVE REPRESENTATIVES MEET AGAIN IN TWO YEARS TO SEE HOW WELL THEIR COMMITMENTS HAVE BEEN RESPECTED. (A-4)

AN EDITORIAL SUGGESTS, NOW THAT THE OAS HAS RESCINDED CUBA'S 11 YEAR ISOLATION UNDER THE RIO TREATY, THE U.S. SHOULD MOVE WITHOUT DELAY TO LIFT ITS OWN TRADE EMBARGO -- ESTABLISHED THREE YEARS EARLIER -- AND OPEN NEGOTIATIONS AIMED AT RESTORING NORMAL DIPLOMATIC RELATIONS WITH FIDEL CASTRO'S REGIME. EXCLUSION FROM THE COMMUNITY OF AMERICAN STATES HAS ONLY SERVED TO SOLIDIFY CASTRO'S OWN POSITION AND INSURE HIS COMPLETE RELIANCE ON THE SOVIET UNION FOR SUPPORT. THE TIME HAS NOW COME TO TRY A NEW APPROACH. (A-6)

THE NEW YORK TIMES
JAMES M. NAUGHTON WRITES THAT PRESIDENT FORD, DECLARING THAT THE SUMMIT MEETING HERE WILL BE JUDGED "NOT BY THE PROMISES WE MAKE BUT BY THE PROMISES WE KEEP," JOINED LEADERS OF THE SOVIET UNION AND 33 OTHER NATIONS YESTERDAY IN AFFIRMING A BROAD CHARTER FOR PEACE AND HUMAN PROGRESS THROUGHOUT EUROPE. (1)

DREW MIDDLETON REPORTS AIR SUPERIORITY IS THE KEY TO SUCCESS IN ANY BATTLE IN THE SINAI. CONSEQUENTLY, THE POSSIBLE LOSS OF ISRAEL OF THE CAPACITY FOR INSTANT AIR REACTION AS A RESULT

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OF WITHDRAWAL FROM THE PASSES SHE HOLDS IN THE SINAI -- THE KEY ISSUE IN THE CURRENT NEGOTIATIONS -- AND THE SURVEILLANCE STATIONS THERE CAUSES ACUTE ANXIETY TO GROUND AND AIR COMMANDERS. ISRAEL'S FOUR SURVEILLANCE SITES IN THE PASSES AREA ARE ELEMENTS IN A COMPLEX MILITARY SITUATION THAT INFLUENCES THE GOVERNMENT'S NEGOTIATIONS WITH EGYPT CONCERNING A SINAI WITHDRAWAL. (2)

BERNARD GWERTZMAN WRITES THAT WILLIAM COLBY SAID IN A LETTER MADE PUBLIC YESTERDAY THAT IF THE U.S. PERMANENTLY LOST ITS INTELLIGENCE-GATHERING STATIONS IN TURKEY, "DEFICIENCIES FROM SUCH A LOSS COULD NOT COMPLETELY BE MADE UP BY ANY OTHER MEANS OF RELOCATION." THE COMMENTS BY MR. COLBY WERE MADE KNOWN IN AN INTERVIEW BY REPRESENTATIVE WILLIAM BROOKFIELD, THE RANKING REPUBLICAN ON THE HOUSE INTERNATIONAL RELATIONS COMMITTEE, WHO PLAYED A LEADING ROLE IN THE UNSUCCESSFUL EFFORT TO GET THE HOUSE OF REPRESENTATIVES TO REVERSE ITSELF AND LIFT THE ARMS EMBARGO AGAINST TURKEY. (3)

DAVID A. ANDELMAN SAYS THE FRAGILE COALITION GOVERNMENT IN THAILAND WON A KEY VOTE OF CONFIDENCE IN THE NATIONAL ASSEMBLY EARLY YESTERDAY WITH PRELIMINARY APPROVAL OF A RECORD \$3.13 BILLION 1976 ANNUAL BUDGET. THE OPPOSITION, LED BY SENI PRADJ, THE OLDER BROTHER OF PREMIER KURKRIT PRADJ, HAD BRANDED THIS THE MAIN TEST OF CONFIDENCE IN THE GOVERNMENT AND YESTERDAY EVEN OPPOSITION POLITICIANS WERE CONCEDED THAT THE PREMIER'S SUCCESS HAD STRENGTHENED HIS HAND CONSIDERABLY BOTH DOMESTICALLY AND IN FOREIGN AFFAIRS. (3)

FOX BUTTERFIELD WRITES THAT SINCE THE CHINESE ARMY WAS SHAKEN BY THE DEATH IN 1971 OF LIN BIAO THE ENTIRE HIGH COMMAND APPEARED PUBLICLY AT A BANQUET THURSDAY NIGHT TO COMMEMORATE THE FOUNDED OF THE CHINESE COMMUNIST ARMED FORCES. AT THE SAME TIME, IN A FURTHER APPARENT ATTEMPT TO REFLECT A RETURN TO THE NORMAL, LO JUICHING, A FORMER CHIEF OF STAFF WHO WAS PURGED AT THE BEGINNING OF THE CULTURAL REVOLUTION, REAPPEARED AT THE BANQUET FOR THE FIRST TIME IN TEN YEARS. HSINHUA, THE OFFICIAL CHINESE NEWS AGENCY, INCLUDED HIS NAME WITHOUT COMMENT AMONG A LIST OF THE GUESTS IN PEKING'S GREAT HALL OF THE PEOPLE. (4)

JAMES F. CLARITY SAYS THAT WHILE HOPES ARE EXPRESSED IN THE WEST THAT THE EUROPEAN SECURITY AGREEMENT WILL LIBERALIZE SOME ASPECTS OF LIFE IN THE SOVIET UNION, THERE IS NO EVIDENCE IN MOSCOW THAT THE LEADERSHIP INTENDS ANY RELAXATION OF ITS TIGHT AND PERVASIVE CONTROL. ON THE CONTRARY, THERE IS EVIDENCE IN THE RECENT SPEECHES OF HIGH OFFICIALS THAT "LIBERALIZATION" IS STILL CONSIDERED A EUPHEMISM FOR WESTERN DECADENCE AND DECEIT. THE SOVIET PUBLIC IS BEING ADVISED TO BE VIGILANT

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IN RESPECTING WESTERN "SABOTAGE" IN THE GUISE OF LIBERALIZATION.
(8)

FLORA LEWIS WRITES THAT MANY LEADERS AT THE CONFERENCE ON EUROPEAN SECURITY AND COOPERATION, CALLED IT A "MILESTONE," AND IT WAS. IT MARKED HOW FAR EAST-WEST RELATIONS HAD EVOLVED SINCE THE DEPTH OF THE COLD WAR, AND HOW MUCH FURTHER THEY HAD TO GO. WHEN THE CONFERENCE ENDED, THE CHIEF DELEGATES SAT AT A LONG CURVED TABLE TO SIGN THE "FINAL ACT." MR. FORD AND MR. BREZHNEV WERE ALMOST AT THE OPPOSITE ENDS, WITH EVERYBODY ELSE IN BETWEEN. THAT IS THE SITUATION OF EUROPE NOW. (8)

AN EDITORIAL STATES THAT A FEW WEEKS AGO, EARL BUTZ WAS PREDICTING THAT THE SOVIET UNION WOULD BUY ABOUT TEN MILLION TONS OF AMERICAN GRAIN THIS YEAR. HE EMPHASIZED AT THE TIME THAT THIS WOULD ONLY BE ABOUT HALF THE SIZE OF THE NOTORIOUS GRAIN SALES OF 1972, AND HE PREDICTED CONFIDENTLY THAT THIS YEAR'S PURCHASES WOULD HAVE ONLY A "MINIMAL IMPACT ON DOMESTIC PRICES, A PREDICTION BASED UPON FORECASTS OF RECORD GRAIN CROPS IN THIS COUNTRY THIS YEAR. BACK IN 1972 THE DEPARTMENT OF AGRICULTURE GAVE ASSURANCES THERE WAS "NO NEED TO FEAR RUNAWAY" GRAIN PRICES BECAUSE THIS COUNTRY HAD SO MUCH WHEAT AVAILABLE; THE PRICE OF WHEAT MORE THAN TRIPLED IN THE NEXT YEAR AND A HALF. TO FORESTALL A SIMILAR RUNAWAY PRICE INFLATION, CONGRESS OUGHT TO HAVE ACTED TO LIMIT FURTHER SOVIET FOOD PURCHASES UNTIL THE INFLATIONARY IMPACT IN THE MARKETPLACE OF THE PRESENT SUPPLY AND DEMAND SITUATION COULD BE BETTER ASSESSED. (20)

ANOTHER EDITORIAL SAYS THAT JAPAN DESERVES THE FULLEST ENCOURAGEMENT FROM THE U.S. IN ITS TENTATIVE BEGINNINGS TOWARD AN INDEPENDENT DIPLOMATIC ROLE ON THE KOREAN PENINSULA. PRIME MINISTER MIKI, ARRIVING THIS WEEKEND FOR HIS FIRST OFFICIAL VISIT TO WASHINGTON, HAS PLACED THE KOREAN QUESTION HIGH ON HIS AGENDA FOR TALKS WITH PRESIDENT FORD AND TOP AMERICAN POLICYMAKERS. JAPAN HAS THE POTENTIAL FOR GREATER FLEXIBILITY THAN THE U.S. IN FACING THE TWO KOREAN STATES, IF TOKYO'S CAUTIOUS POLICYMAKERS CHOOSE TO USE IT. THE JAPANESE HAVE LONG HELD BACK FROM ASSUMING ANY FORWARD POSITION IN GREAT-POWER DIPLOMACY, BUT THERE ARE CLEAR SIGNS THAT THIS DIFFIDENCE IS BEING OVERCOME. THE U.S. INTEREST IN KOREA IS DIRECTLY TIED TO THIS COUNTRY'S SECURITY OBLIGATIONS TO JAPAN; IT IS JAPAN, FAR MORE THAN THE U.S. THAT IS THREATENED BY POLITICAL AND MILITARY UNREST IN KOREA. WHILE THE U.S. MUST BE PREPARED TO MAINTAIN DEFENSE RESPONSIBILITIES IN SOUTH KOREA, IT WOULD ONLY BE AN APPROPRIATE SHARING OF RESPONSIBILITY FOR JAPAN TO ASSUME MORE OF THE DIPLOMATIC INITIATIVE. (20)

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THE BALTIMORE SUN

MURIEL DOBBIN REPORTS JAMES T. LYNN, DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET, YESTERDAY DEFENDED HIS REFUSAL TO DIVULGE DETAILS OF INTELLIGENCE SPENDING BY REMINDING A HOUSE INVESTIGATING COMMITTEE THAT IT WAS CONGRESS WHICH HAD STIPULATED SECRECY IN STATUTES GOVERNING ESPIONAGE EXPENDITURES. (A-B)

THE SUN FEELS THAT IF NATIONS MUST CHANGE RULERS BY COUP -- AND MILITARY DICTATORSHIPS ALLOW THEMSELVES NO OTHER MEANS -- NIGERIA HAS AT LEAST PROVIDED A MODEL FOR THE PROPER CONDUCT OF ONE. THE PEACEFUL EFFICIENCY WITH WHICH GENERAL MURTALA MUFAI MOHAMMED SEIZED THE PRESIDENCY AND THE GOOD GRACE WITH WHICH GENERAL YAKUBU GOWON LOST IT, EQUALLY EXCITE ADMIRATION. YET ALL HAS NOT BEEN WELL IN NIGERIA. GENERAL MOHAMMED APPEARS AT FIRST BLUSH MERELY TO WISH TO SUCCEED WHERE GENERAL GOWON ACCEPTED FAILURE. ONE GREAT THING GENERAL MOHAMMED COULD GIVE HIS COUNTRY WOULD BE A SET OF RULES BY

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No Objection To Declassification in Full 2011/04/28 : LOC-HAK-264-6-8-4

WHICH HE, TOO, COULD BE REPLACED, TO RENDER SEVEN MODEL COUPS UNNECESSARY. (A-14)

THE SUN COMMENTS ON THE CSCE SUMMIT CONFERENCE BY NOTING THAT MR. BREZHNEV'S PREFERENCE WOULD BE TO TWIST THE DECLARATION INTO A CONFIRMATION OF PAST SOVIET CONQUESTS INSTEAD OF A PLEDGE OF FUTURE CIVILIZED BEHAVIOR. WESTERN DEMOCRACIES SHOULD NOT LET HIM GET AWAY WITH THIS. NOT ONLY SHOULD THEY MAKE IT CLEAR THAT HELSINKI PROVISIONS DEALING WITH THE SOVEREIGNTY OF STATES RUN DIRECTLY COUNTER TO THE BREZHNEV DOCTRINE, BUT THEY SHOULD HOLD KREMLIN LEADERS TO THE LETTER OF THEIR STATEMENTS PROMISING BASIC HUMAN RIGHTS TO THEIR OWN PEOPLES. (A-14)

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